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ABSTRACT

This collection of short articles addresses several issues. The first article briefly discusses the growing lack of confidence in schools, with a glance at the role of the mass media. The second article, an interview on the same topic, looks at the state's loss of credibility regarding education and other areas in the United States and other countries. This article suggests that rather than a lack of confidence in schools, the crisis is really over who governs the system and whose interests are represented. The benefits of the teacher seniority system are examined in the next article. Another article looks at how policy frameworks affect policy choice, especially regarding the differences between special education policy in the United States and Britain. Briefly examined in another article are the current research activities at the Institute for Research on Educational Finance and Governance. A final longer article looks at the growing problem of overeducation. The author looks at several definitions of overeducation: decline in salaries of college graduates, lack of the jobs college graduates expected to find when they entered college, and workers who are overskilled. The article concludes that overeducation currently presents a problem to both individuals and the private and public sectors. (Author/JM)

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INSTITUTE FOR RESEARCH ON EDUCATIONAL FINANCE AND GOVERNANCE

A CRISIS OF CONFIDENCE

Has America Lost Faith In Its Schools?

"The present state of things can best be described as threatening," warned a recent commencement speaker. Echoing the feelings of educators everywhere as he spoke of budget cuts and a depressed labor market for teachers, Chancellor Ira Heyman of the University of California described the current predicament of educators as "a lugubrious state not easy to escape." Of particular interest was his explanation: "The public conception, fair or otherwise, is of the failure of American schools. Education's ability to compete with other public sectors for financing is being undercut by a lack of citizen confidence in public education."

The shift in consciousness — and in policy activity — has been dramatic during recent years. Spurred by the War on Poverty, high employment levels, an expanding economy with stable prices, and increasing enrollments, the 1960s represented a period of increasing support for education and a commitment to equity. The emerging federal role fueled initiatives to improve the education of minorities, the disadvantaged, and handicapped. The states also initiated such programs, and there were efforts to improve equity in the state financing of education.

By the latter 1970s the momentum of these reforms had slackened. Inflation, slow economic growth, high unemployment, declining enrollments, and campaigns to limit the growth of government created different priorities and challenged earlier commitments to equity.

By 1980 these trends had clearly established themselves through fiscal limitation measures and more conservative political representatives and policies. The initiatives of the current decade have become tuition tax credits, consolidation of federal categorical grants, and a search for ways of incorporating private schools into the arena of public support.

Although there is concern about the fiscal and enrollment problems of education, the most pressing one expressed by policy makers today is the crisis of public confidence in education. The crisis might be defined as sagging public attitudes toward education as reflected in public opinion polls — but it goes much deeper than that. Among taxpayers, parents, students, and the media there seems to be a rising hostility toward education and educational improvement. Yet the crisis runs even deeper than apparent hostility — deeper than taxpayer revolts, budget cuts, and a shrinking labor market in education. It entails a fundamental questioning of the power of public authorities to set social goals and provide human services in the public interest.

This larger predicament, often called the "legitimacy crisis" by social scientists, suggests that an unsettling question lies behind the deepening public frustration. Ultimately it is not merely a question of whether the full range of human services provided through legitimate governmental authority might be inefficient or burdensome. Rather, it is a question of whether such services might not be misdirected in the first place. Is it possible that they might, at least in part and especially with respect to rights recently secured by minorities and other groups, be unacceptable in the eyes of the public?

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Especially noticeable is the stance of the mass media. It often seems that only the problems of schools are found newsworthy by the media, and the problems are often exaggerated. Such issues as discipline, declines in test scores, rising costs, and conflicts over plans for integrating schools tend to be amplified and distorted to such a degree that the public image of education has become associated with strife and failure. With the decline in family size and an aging population, most people are obtaining their views of schools from the media rather than from direct experience. It is no surprise that this kind of media coverage produces an increasingly hostile public.

Since the media do not give equal time to the bright spots of American education, it is difficult to obtain recognition for the impressive accomplishments of the schools. It is also difficult to build the sense that a strong public commitment can overcome the problems that plague the system. Yet the improvement of education will require changes in organization and resource allocation as well as the establishment of new practices. All of these will require support of the many publics whom the schools serve and on whom the system depends. When parents, taxpayers, students, legislators, and educational professionals are disgruntled, it is difficult to win their cooperation in addressing educational problems.

This issue of *Policy Notes* is devoted to an initial exploration of the problem of legitimacy in education. To begin with, it is imperative that educators understand the crisis. To what degree is it based upon an accurate assessment of American educa-

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tion? Is public disaffection with the schools unique, or does it extend to other institutions such as the courts, the police, health care, and so on? To what degree is the crisis attributable to factors under the control of educational policy makers, and to what degree is it due to factors beyond their control, such as inflation and unemployment? Finally, what can be done to reduce the crisis of confidence and regain the support of the many publics on whom the schools have always depended? ■

A LOSS OF LEGITIMACY

Interview With Hans Weiler

■ What is the legitimacy crisis in education?

We are dealing with two crises. The first is the malaise of the modern democratic state, particularly the state's loss of credibility in setting and implementing policy goals, be they in foreign affairs, housing, energy, or education. There are diverse views on the nature and causes of this crisis: an increasing "overload" on the body politic, an erosion of the system of representation, or the inherent contradictions of advanced capitalism. There is also a crisis that is specific to the educational system. It results from an increasing frustration of consumers of the educational product — students as well as parents. Education does not seem to command the credibility, acceptance and support it once did. This crisis, combined with the legitimacy problem of the state, has produced a sense of emergency in educational policy.

■ What evidence is there to suggest that such a crisis exists?

One indicator is the erosion of public support for public education. This erosion appears in such things as tax limitation initiatives, a decline in the standing of public education in public opinion polls, and in the loss of support for reforms such as desegregation, bilingual education, and compensatory education. Declining enrollments in this country's educational system seem to have been accompanied by a decline in the credibility of the system's claim that it is still capable of preparing today's youth for the challenges of tomorrow's society. A telling commentary on this crisis of public schools is the increased interest in private education. Parents are showing their dissatisfaction with public schools by voting with their feet (or, rather, their children's feet).

■ Does the crisis exist in other countries as well?

It may take different forms, but the dilemma is the same. The state faces escalating demands on its capacity to direct an

ever more complex society, and finds itself less and less able to respond adequately. We find symptoms of this dilemma all over the Western world. For example, educational reforms in Western Europe, especially those affecting secondary education, have encountered serious problems because of the widening gap between initial reform claims and the limited capacity of the state to live up to them. In the Federal Republic of Germany even the Federal Constitutional Court has concerned itself in some key decisions with the legitimacy of educational policy decisions, and citizens initiatives have begun to bypass conventional mechanisms of representation in their quest for influence on policy.

■ Does the crisis plague other fields besides education?

If my assumption is correct that part of the problem is the general legitimacy crisis of the modern state, we should find symptoms of the crisis in other fields — and I think we do. Energy policy is a case in point. Conflicting claims and assumptions have eroded the credibility of political leadership at all levels, calling into question their ability to respond to the conflicting dynamics of expansion and conservation. Here again the problem extends far beyond the United States, as shown by the bitter struggles in countries like France, Sweden, Great Britain and West Germany over plans for generating nuclear energy. Public transportation, housing, and health care are other areas where the widening gap between claim and performance has led increasingly to a loss of legitimacy for the political authority.

■ How can government and education policy makers regain legitimacy in the years to come?

The crisis cannot be undone overnight, neither in education nor anywhere else. Before we can do something about it, we must understand the nature of the problem, and this is what IFG's research project on legitimacy is all about. Let me give an example of how a sound diagnosis may lead to a course of remedial action. Most analysts agree that one of the ingredients of the problem is the crisis of representation — that is, the loss of a functioning linkage between the people and the making of policy decisions. There is a good deal of evidence that political parties don't serve this function any more, and that Congress and state legislatures are seen as no longer effectively representing the needs and wishes of the people. If this analysis is correct, it suggests that we need to find ways of restoring the feeling that peoples' needs and wishes matter, to give people a sense of more than token involvement in policy decisions that affect their lives. "Participation" has come to assume a dominant role in the rhetoric of educational policy in recent years, but it has not moved much beyond rhetoric. Once it does, and once parents, students and teachers start regaining an effective voice in determining educational policy, we may see a renewal of public faith in educational policy.

■ What kinds of research are needed to support such an effort?

Given the complexity of the crisis, a special effort seems necessary to shed light on the nature of the problems, its causes, and what strategies might be developed to solve it. We need to know how much of the legitimacy crisis in education is due to factors directly related to education, and how much is due to structural problems of the modern state. This will tell us something about the possibilities and the limitations of remedies to the present dilemma. We need to go further and ask how much remedy may be provided by different strategies of what we are calling "compensatory legitimation" in the IFG special project on legitimacy. We have speculated, with a good deal of initial evidence, that the state uses a number of

strategies to make up for the loss of legitimacy; among these are such things as legalization or the increased involvement of the courts, the use of expertise, and various arrangements for client participation (as in School Improvement Councils in California and similar devices elsewhere). It should be useful to find out just how effective these strategies are in recouping losses of legitimacy. With such insights to help them, educational policy makers will be better able to cope with the continuing challenge of the legitimacy crisis in education. ■

WHO GOVERNS THE SYSTEM?

The Underlying Question

Have Americans lost their faith in education as a social institution? Not at all. Americans participate in the system more than ever before, and education is still the fundamental basis for assigning social and occupational roles.

Why then the current sense of crisis? Is it because citizens no longer support their own local schools? No. Surveys show continuing faith in local schools compared with other services, and participation rates continue to be high. Perhaps it is instead a crisis over who governs the system and whose interests are represented, rather than a repudiation of education as a whole.

Historically, organizational structure has provided education with legitimacy as an institution. Under state-defined rules of accreditation, curriculum, and certification of teachers, locally elected school boards represented control of the community over schooling. Such control was characterized by conformity to the wider accrediting rules, which were national in character but enacted through the states. This conformity required at least surface and sometimes careful attention.

Organizational changes in recent decades have undercut the old system and eroded the sense of legitimacy it provided. Nationwide reform has brought new controls, reflected in categorically funded programs at the federal and state levels. Categorical programs mandate specific services for the poor, minorities, bilingual children, the handicapped, and many other groups. This recent overlay of programs has imposed new controls and reporting requirements upon the older system.

Since the categorical mandates have never been pulled together into a national or state educational program to which schools must conform, the new central controls are fragmented. There is no integrated general picture of what is to be done for all children. Instead, programs are instituted around the rights of numerous special interests. This results in part from the absence of a legitimate federal role in the governance of education.

With these higher levels but fragmented controls, who is responsible for the education of American children *in general?* Each group sees itself in a zero-sum game, competing for resources with other groups, but with little reason to support the system as a whole. Each group sees the system itself as generally suspect when it is responding to other special interests.

Do the new controls imposed by federal and state categorical programs pose a threat to the legitimacy of the educational system? Preliminary findings from an IFG study by Mary Bankston, John W. Meyer, and W. Richard Scott provide a basis for discussing this issue. The study analyzes organizational controls in a single school district in California, describing how the local district meets new program requirements imposed on it by federal and California state categorical mandates.

The study indicates that while categorical programs account for only a minor portion of funds received by the school district, most reporting requirements are linked to those programs. Except for fiscal records and routine reports on attendance, the majority of funds that go to local districts — in the form of general block grants — requires very little accountability to the state of California or the federal government. These accounting requirements for general funding do not tend to penetrate the instructional process or its outcomes, and are therefore unlikely to produce any crisis about the legitimacy of what is being done in public schools.

briefly. . .

The purpose of this issue of *Policy Notes* is to suggest useful approaches to thinking about the current crisis of confidence in American public education. Given the scope of the problem and its interrelatedness with other social and political issues, no more than a first foray has been attempted. The articles are intended to initiate discussion by offering a variety of approaches rather than a unified explanation.

Consulting editor for this issue was Hans N. Weiler, coordinator of IFG's program on legitimacy and professor of education and political science at Stanford University. In his interview, "A Loss of Legitimacy," Weiler provides background on the widespread sense of crisis, locating its origins in the erosion of authority in the modern state. His comments suggest some of the directions that will be taken by researchers at IFG in the coming months, with financial support coming mainly from a Spencer Foundation Grant.

The lead article, "A Crisis of Confidence: Has America Lost Faith In Its Schools?" summarizes the problem and its significance for educators. The article was written by Henry M. Levin and Thomas James. Levin is director of IFG and professor of education and economics at Stanford University. James, a graduate student in history and education at Stanford, is editor of *Policy Notes* and *Policy Perspectives*.

Another article views the problem from the standpoint of organizational structure and control. Mary Bankston wrote "Who Governs The System: The Underlying Question," with the help of John W. Meyer, professor of sociology, Stanford University. Bankston is a graduate student working as a research assistant for Meyer. She participated in the research upon which the article was based.

From yet another perspective — that of teachers and teacher unions — Miles T. Bryant reviews an IFG paper by Richard Murnane in "Last Hired, First Fired: The Benefits of Seniority." Bryant is an IFG research assistant and graduate student in applied policy analysis, School of Education, Stanford University.

Finally, to demonstrate the value of comparative analysis, David L. Kirp contrasts two national systems of education while also comparing alternative models for framing policy choices. His argument demonstrates that policy choices will vary according to how the crisis of legitimacy is defined. This has important consequences for further research and discussion. Coordinator of IFG's law and education program, Kirp is a professor in the Graduate School of Public Policy, University of California, Berkeley. David Neal, a graduate student working as Kirp's research assistant, wrote the article based on a policy paper by Kirp, entitled "Professionalization as a Policy Choice: British Special Education in Comparative Perspective." ■

On the other hand, categorical programs require a considerable *amount* of reporting. California's state requirements often have demanded, beyond general accounting, detailed accounts of procedure and outcome. At one time, they even included yearly on-site school reviews by state school evaluation teams. Controls such as these would be most likely to produce a crisis of legitimacy at the local level.

As new special programs came under the jurisdiction of the state, they included not only fragmented reporting but some emphasis on inspection and programmatic reporting. After a couple of years of conflict and strain, programs began to be integrated into the overall system. There was still much accounting, but it tended to be more general and avoided direct inspections.

For example, when the statewide early childhood education program and later the School Improvement Program first emerged in California, each participating school was required to write lengthy school-level plans outlining goals in several subject areas, procedures for achievement of these goals, and expected outcomes. This requirement was accompanied by an annual direct inspection of school sites. The conflict and instability produced by this approach has led to a reduced emphasis on program in the accountability requirements. Plans and inspections are now made every three years. In addition, there is a loophole whereby schools that scored poorly on previous evaluations are exempt from the state review process.

What has become most apparent is a shift in emphasis from procedures and educational outcomes to easily ritualized *structures* — which require merely that the pupil be located in proper categories, not that he or she learn anything.

Summary and Outlook

The long-term problem of legitimacy in education may not be related so much to the current crisis of confidence as to the peculiar character of the new system of central controls in American education. The absence of a nationally integrated authority, combined with expanded pressures for federal funds and controls, contribute to this long-term problem. Fragmented controls take the school system away from its traditional means of control and legitimation through rituals of state accreditation and local governance by elected officials. As a result, policymakers are faced with lowered *local* responsiveness and also with no legitimate mandate for a national system. If the situation creates a continuing sense of uncertainty, it is because higher levels of power have come into play without corresponding general authority and responsibility.

One answer to the problem might be a return to the older legitimacy of decentralization. Such a change seems unlikely, given a worldwide movement to central control over systems of education in response to perceived national needs, and given continuing demands for national funds in this country. Another answer, which is characteristic of most other countries in the world, is to have a central Ministry of Education with overall responsibility and authority for education.

Each group sees itself in a zero-sum game, competing for resources with other groups, but with little reason to support the system as a whole.

But in the present climate, further steps in this direction seem unlikely. However, it may be a long-term outcome.

In the meantime, the present crisis will probably continue. If so, a mixture of satisfaction with local schooling and dissatisfaction about education in general will continue to fuel complaints and reform proposals.

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LAST HIRED, FIRST FIRED

The Benefits Of Seniority

In recent times many educators have expressed concern about the effectiveness of an aging teacher force. Because collective bargaining has expanded at the same time that public education generally has entered a period of severe retrenchment, contract provisions that restrict management's flexibility assume a vital importance. Contracts between teachers and districts often specify that the rules governing reductions in the work force must be based on seniority. Under such provisions, "last in, first out" is the prevalent rule guiding employment decisions.

What are the arguments against seniority? First, seniority rules make it difficult to base employment decisions on merit or performance. In the worst case, a school may be forced to keep a teacher of questionable talents and release one of superior talents. Second, seniority rules lead to a systematic aging of the teacher force by selectively favoring older teachers. Critics note that this can inhibit innovation and could lead to a decline in the quality of teaching. Third, seniority makes it difficult for school managers to release incompetent teachers because it reduces the incentives for supervisory evaluation. Finally, seniority rules have the effect of making other professions besides teaching more attractive to young and promising workers.

Two alternatives are commonly proposed. One is that employment decisions about layoff and reduction be based on supervisory evaluation instead of seniority rules. The other is that teacher retention be based on some measure of performance. Either of these alternatives would improve education, it is argued, by improving the quality of the teacher force. Not only would better teachers be retained, but they would have better incentives to improve their performance in the classroom.

A contrasting view

In a recent IFG paper, "Seniority Rules and Educational Productivity: Understanding the Consequences of a Mandate for Equality," Richard Murnane questions whether improved teacher performance will result from the proposed alternatives to the seniority system. Murnane suggests that seniority rules may be the most efficient way of making employment decisions in times of retrenchment.

Murnane argues that what is possible in American education is constrained by the difficulty of measuring what happens between student and teacher in a classroom, by the wide range of abilities and aptitudes in a school system that by law is open to all comers, and by the lack of low-cost alternatives to public education for low-income families. Given these characteristics of the educational system, it may be that seniority rules provide the best method for making employment decisions. Add to these the numerous constraints on teachers, such as the need to allocate time equitably among their students and the need to harness positive peer influences in the classroom, and it becomes clear that the peculiar beast in question does not lend itself to rational and objective judgements of worker performance or supervisory evaluation.

When teachers are judged by supervisory evaluation, it is difficult to be certain that a particular classroom observation represents a teacher's overall performance. Continued monitoring is costly and would probably disrupt the learning process. Murnane points out that identifying incompetent teachers will occur regardless of the rules used for making lay-off decisions. The right to dismiss teachers after due process is not the issue.

In the same way, employment decisions based on performance may undermine educational objectives. If we wish teachers to allocate their time equitably to all groups of students, to the needy students as well as to those most advantaged, we should think carefully about the incentive structure that will induce such behavior. If performance is to be evaluated on the basis of student outcomes, teachers may find it to their advantage to direct their efforts in their own self-interests. Thus, if certain students are likely to learn more and faster, it would make sense for the teacher to focus on that group in order to receive higher ratings on performance measures based on student outcomes. Disadvantaged students and those having difficulty learning would probably be slighted under the perverse incentives of a performance-based teacher evaluation.

Murnane suggests potential benefits that could result from a seniority-based system. Seniority rules produce neither disincentives nor incentives for specific teacher behavior in the classroom. In this sense they do not directly intrude on the classroom process, a likely consequence of each of the suggested alternatives.

If seniority rules are to be defended, argues Murnane, something must be said about collective bargaining. A strict application of seniority rules to the employment decisions of school districts has disadvantages to both parties. School managers run the risk of being unable to do anything about the loss of gifted teachers. And teachers laid off by school managers who are fearful of possible litigation will lose financial benefits early in the game. Until recently neither party to the negotiations could improve a bad situation.

What is possible in American education is constrained by the difficulty of measuring what happens between student and teacher in a classroom.

Seniority rules in times of retrenchment are unpleasant for all concerned, but if school district officials and union negotiators have learned to negotiate with more skill it is likely that the hardship of seniority rules will be mitigated.

Murnane suggests that negotiators have gained in expertise and that contract negotiations between school and union officials have progressed beyond the hostile confrontations that characterized the early days of collective bargaining. As a result, more imaginative solutions are being sought to fill the needs of the negotiating parties and at the same time serve the needs of children. In essence, Murnane argues that teachers and school district officials have learned to talk with each other. This may soften the problems associated with seniority rules.

Several examples of compromise illustrate this point. Some contracts allow teachers voluntarily to delay notification of a reduction in force until the summer months. Teachers who elect to delay notification receive the promise of health benefits for the remainder of the calendar year. Both district and teacher benefit from this arrangement. The district gains time to see whether it can find some defensible grounds for retaining those teachers it wishes to retain. Teachers who have been laid off have the anguish of that experience somewhat mitigated by the receipt of continued health benefits.

Another compromise has been the implementation of early retirement systems. By providing incentives for early retirement, the district gains maneuvering room in which it can retain its superior younger teachers. Teachers gain because they can elect the option of retirement with more flexibility.

For many readers the main value of Murnane's paper may be that it illustrates a creative approach that could be applied to most policy decisions. We need to consider the consequences of policy not in isolation but in light of the whole. Education is a stage on which there are many actors. If we intend to rewrite the stage directions, we had better make sure that afterwards the right actors will still be talking to each other when they should be. ■

HOW POLICY FRAMEWORKS AFFECT POLICY CHOICE

"There is something deeply unattractive about the spectacle of someone demanding his rights," says Mary Warnock, chairperson of the Committee of Enquiry set up in 1974 to study British special education. Members of that committee visited the United States in the course of their four-year deliberations. As the quotation suggests, they rejected much of what they saw in U.S. special education policy.

This attitude suggests an insight about the crisis of legitimacy in education. The framework within which a policy issue is embedded is in itself a significant policy choice. The treatment of handicapped children, for example, varies with the way their situation is conceptualized. The British rely on professional discretion rather than the more legalized model of the United States.

David Kirp, a professor in the Graduate School of Public Policy, University of California at Berkeley, has developed these and other findings in a recent policy paper, "Professionalization as a Policy Choice: British Special Education in Comparative Perspective."

According to Kirp, policy problems can be dealt with in several ways. First, there is the professional mode where the views of the experts, such as teachers and psychologists, prevail. The second relies on political judgment: ideology and political bargaining provide the answers. A third way is to emphasize legal concepts such as "rights" and legal review procedures. Fourth is the bureaucratic mode, emphasizing consistency and internal accountability. Finally, one can leave the market to decide. The categories are not mutually

exclusive but represent dominant motifs. In special education the United States has adopted a legalized model and Britain a professional model.

Selection of a particular model has consequences, argues Kirp, both for the service delivery agency and for the recipients. It determines "what will be provided, by whom, and on what terms." It also shapes the allocation of power within a system. A professional model assumes dominance by the professional class, while the model of rights entitles the recipient, empowering him or her as against other participants in the school organization.

The difference can be seen in comparing the position of parents with respect to school administrations in the two countries. British parents are described as partners, but although they may be consulted, they do not have an entitlement to be consulted; their access to the school's information about their child is limited; and their means of redress are weak. U.S. parents are entitled to an annual planning meeting, full access to information, and a due process hearing to deal with any grievances.

Pressures for change

A combination of circumstances has resulted in the dominance of the professional model in Britain. Partly, Kirp implies, this is by default. In the first place, special education is only a marginal issue on the political scene. This means that politicians are unlikely to pick it up on their own initiative. Moreover, there are no pressure groups able to spark the political system effectively. Organizations for the handicapped do exist but they are fragmented by type of handicap and are more oriented to charitable service functions than to political activity.

Nor is the prospect of change through the courts very promising. Britain lacks the constitutional provisions on which much reform is founded in the U.S. In addition, judicial style in Britain is far more deferential to other arms of government than is the case on this side of the Atlantic. Thus the 1944 Education Act, mainstay of special education in Britain, allows little room for court intervention in policy. The leading case in the area corroborates the primacy of local education agencies in making policy, and the correspondingly marginal role of both the national education authority and individual parents.

When faced with policy problems, the British government tends to bring outside experts together to examine the issues. In theory this should produce a new way of seeing things, but in practice the members of such committees reflect the influence of the civil service. Staff from the Department of Education and Science (DES) provide primary sources of information. Since DES approval is essential to implementation of reforms, this influence militates against any outcome that contradicts prevailing wisdom. The tendency is to refine the existing systems and to avoid changes that might offend vested interests rather than to come out with radical proposals that would be shelved.

The findings of a major Committee of Enquiry convened in Britain in 1971 offer a case in point. There were no non-whites, no representatives of interest groups, and only one parent of a handicapped child on the committee. The special education system was found to be commendable, but existing categories of handicap were deemed rigid, narrow, and stigmatizing. Essentially, the committee's approach was to do away with categorical labels in favor of individual description of a child's disability and needs. On questions such as assessment, the role of professionals was emphasized. The possibility that any of the problems of educating a handicapped child might be outside the realm of professional expertise was not considered. No criteria were laid down to suggest what sort of placement might be appropriate for a given sort of handicap. By doing away with categories of disability, the committee placed even more discretion in the hands of professionals.

The committee report devoted only scant attention to questions of school organization. Yet if integration is to be the goal, it is crucial to know how the existing structure will be able to cope with the education of a more diverse population. The evidence of sharp growth in the category "maladjusted" and their "special" treatment reflects an organizational response to diversification in the last decade. British schools have had to respond to a more diverse group of children; the organization responded by defining them as deviant. This neatly avoids considering the rigidity of the organization itself.

The American approach creates a dynamic tension among the competing policy frameworks.

The government has endorsed the philosophy of the committee report without providing resources for items likely to cost money. One significant development is the provision of an appeals procedure for parents of handicapped children unhappy about their treatment by the education system. Their right of appeal is now more limited than that of normal children: appeals committees can only recommend to the local education agency, rather than reverse a decision as they can for normal children. Yet this new willingness to talk about rights and the attentiveness to fiscal constraints may indicate, according to Kirp, a fundamental change in thinking about special education policy in Britain, a change that could make the British system more like that of special education in the United States.

Professionalism vs. rights

Special education policy in Britain highlights the different choices made by the United States. Until quite recently special education in this country was a policy backwater. As in the British scene, it was dominated by professionals. But in the late 1960s an aggressive lobby was able to turn education for the handicapped into a rights issue, and picking up on the race issue in IQ testing, to liken their case to the civil rights movement. The courts were used successfully to downplay reliance on IQ tests and to establish the right to a free, public education for all handicapped children. In the event of a disagreement about the education planned for their child, parents were provided with a full due process procedure in front of an independent hearings officer. The ruling presumption was the least restrictive environment.

The Education for All Handicapped Children Act of 1975 elaborated these principles, provided federal funding, and required federal and state-level monitoring of local practices.

The notion of right sets up a powerful counterpoint to the professional concerns that remain a part of American special education but that no longer play the dominant role. The notion of right and the due process procedures check the power of the professionals, isolate special education from funding cuts, establish a new priority, and change the way of thinking about handicaps in education. In Britain the claim of insufficient funds is an end to debate, but in the U.S. the notion of right trumps the "cry poor" card. Thus the argument that local appeal committees can only *recommend* in the case of special education, because of the resource implications, would not be valid in the U.S. The rights orientation helps to explain the rapid expansion of U.S. special education to the point where it serves more than nine percent of students enrolled in public schools, campared with two percent in Britain.

Relationships within schools are a more problematic issue. In England the needs of the handicapped are routinely balanced against those of the normal student. The rights orientation precludes this balancing in the U.S. But claims of right can also promote conflict. The number of due process hearings in the U.S. increases year by year — as does the level of judicial intervention. In Britain administrative hear-

ings and court cases are both rare and unsuccessful.

The cost of disputatiousness is to undermine the professional relationship in education. Yet the alternative seems to be the neglect of the era before the rights of the handicapped were recognized.

The ability of the handicapped to cast their claims in terms of rights has enabled them to take center stage in te U.S. and obtain unprecedented authorization for high expenditures in the field of education. In Britain, the handicapped are dependent on charity and the judgment of professionals. The emphasis on rights in U.S. programs sets up an inherent tension between the service provider and the recipient. The American approach, though rights-centered, creates a dynamic tension among the competing policy frameworks, in which varying conceptions of a legitimate system are pressed by all who have been invited into the house of policy. Problems arise when one or another framework becomes too powerful — when, for instance, legalism engulfs in procedure the questions that may be unresolvable or better resolved less formally, when professionals deprive parents of an effective voice in decisions concerning their children, or when bureaucratic rules undermine the exercise of wise professional discretion. Policy remedies take the form of redressing the balance among these frameworks. The best we can hope for is that it will be a dynamic, creative tension. ■

The Current Research Agenda at IFG

(Continued from back cover)

its impact on student outcomes and educational equity. Coordinated by David Kirp, the program includes five research projects, a faculty seminar on law, governance, and education, 24 commissioned papers, and a biweekly seminar among Berkeley and Stanford participants to probe legalization issues from a variety of points of view.

3. **Policy communication in education.** Researchers inevitably confront the twin problems of how to select useful policy issues for study and then how to communicate findings to appropriate audiences. Of crucial importance are the dissemination processes by which relevant knowledge reaches and is put to use by the people who make policy in education. The knowledge may take various forms: data, political analysis, theories, value judgments, common sense.

Focusing on two issues—school finance reform and special education—IFG has been defining appropriate audiences, finding out how they obain their information, and identifying the types and forms of information most likely to be considered in the policy process. This has generated a number of important insights for the dissemination program in general. Coordinated by Arnold Meltsner, the program entails two projects and several commissioned research papers.

4. **Legitimacy in the governance of education.** Virtually all western industrialized nations have entered a legitimacy crisis in their authority to implement social policies. Symptoms of this crisis are found in challenges to governmental authority to raise taxes for social programs; resentment because of the depiction of government as an anonymous bureaucracy with only self-serving interests; doubts as to the capacity of government to solve social problems and to protect its citizens against the harmful consequences of technology; a decline in trust and respect for many public institutions as reflected in public opinion data; and a fear of governmental intrusion into private affairs as evidenced by the recent offensive against public regulation and data collection.

IFG's program on the problems of legitimacy in education is investigating the nature and causes of the crisis as well as its consequences and possible responses. The issues are not ones of partisan politics or debates over the provisions for delivering educational services. Rather, IFG will attempt to analyze the legitimacy crisis as it occurs in educational settings and to conduct comparative studies of education and other social services. Some nine projects and four commissioned research papers are planned for the next two years under the guidance of Hans Weiler, coordinator for the program. In addition, there will be a major conference and an intensive workshop for researchers. Substantial support for this program has been provided by the Spencer Foundation.

5. **Structures of educational governance and their alternatives.** This program is based on the premise that some of the problems of education can be remedied by changes in organization and governance. The Institute's efforts in this area revolve around two questions. First, what is the present system of governance of local schooling, through what forces did the system arise, and how does it work? Second, what alternative structures of governance might be considered, how might they affect the functioning of the educational system, and what types of political and administrative changes might be required to bring about their adoption?

The program is heavily oriented to exploring organizational controls at the level of the school district and school site. Under the direction of Jay Chambers and John Meyer, seven research projects and six commissioned papers will be forthcoming, along with a major conference, policy seminars and training programs.

6. **Postsecondary educational finance and governance.** The same conditions that lend urgency to the problems of elementary and secondary education are also posing heightened challenges in postsecondary education. The decline in the population that reduced enrollments in public schools is now being faced at the postsecondary level. Demands for equity by race, sex, social class, and physical handicap that have affected elementary and secondary schools have reached higher education with the prodding of courts and legislatures. Further, a weak labor market for college graduates has combined with rising prices to exert downward pressures on enrollments and upward pressures on institutional costs.

Still in the planning stages, under the direction of Russell W. Rumberger and Henry M. Levin, IFG's program on postsecondary educational finance and governance will systematically address the problems that have beset the postsecondary sector. During the next two years this program will be brought to full parity with other IFG efforts. ■

IFG's Research Agenda

The mission of the Institute for Research on Educational Finance and governance (IFG) is to address the information needs of policy makers by communicating research findings and policy alternatives through publications, seminars, conferences and policy debates. Located at Stanford University, IFG is an active informant to policy makers on local, state and federal levels, for elementary, secondary and postsecondary education.

IFG was established as a national research and development center in education on a grant provided by the National Institute of Education in 1978. The program for 1981-82 represents a shift both in the organization of IFG and in the character of its programs. The aim is to intensify the focus on policy issues and to concentrate more resources on disseminating the findings of research. Current activities reflect six major themes:

1. **Categorical grants.** These refer to financial assistance by a higher level of government to a lower level for particular educational services or clienteles. Categorical grants have proliferated in recent years, but they remain controversial because they show only a limited effect on student outcomes. There is evidence that these grants supplant local funds that normally would have been spent on students eligible for such programs. There is also a widespread perception of excessive bureaucratic requirements for obtaining categorical funds, and there are high costs associated with monitoring and enforcing the use of such funds.

IFG is currently analyzing state and federal systems of categorical grants. The goal is to identify generic characteristics, develop theoretical formulations to understand present dilemmas, and then design modifications and potential alternatives. The program is being coordinated by IFG's director, Henry Levin, and it consists of ten projects and eight research papers as well as a training seminar and a conference.

2. **Law and education.** During the past quarter century, educational policy making has become more centralized and more attentive to equity. There has also been a growing "legalization" of the educational system in the sense of reducing discretion and increasing the use of rules. Although much of this legalization is associated with the role of the courts, it occurs whenever other sources of decision-making competence, such as professional expertise or political clout, are superseded by adherence to authoritative rules.

The IFG Program is looking at the causes of legalization, its forms and phases, and

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Summer 1981

INSTITUTE FOR RESEARCH ON EDUCATIONAL FINANCE AND GOVERNANCE

OVEREDUCATION

The Growing Imbalance Between Education and Work

By Russell W. Rumberger

For many years the value of a college degree was rarely questioned. Parents encouraged their children to go to college to get ahead; government officials claimed higher education was good for the country; and scholars repeatedly demonstrated that college graduates earned more money and held better jobs than other members of the labor force.

But recently, a growing number of people have begun to question the economic value of going to college. Newspapers frequently document cases of college graduates unable to find jobs related to their educational training. Some government officials have questioned whether the large public subsidies for higher education are justified. And some scholars now claim that the economic advantage of college graduates in the labor market is declining.

This condition, often referred to as overeducation, is not only a concern of individual college graduates. It could promote job dissatisfaction and reduce productivity in the work place. Business must meet the challenge of how to utilize the training and talents of its workers — or face adverse consequences. Underemployment calls for the same level of public attention and scholarly analysis that unemployment currently receives in this country.

What is overeducation?

Overeducation can be defined in a number of ways. It can mean a decline in the salaries of college graduates, compared to what they enjoyed in the past. College graduates historically have been the highest paid workers in the economy, earning substantially more than persons with high school or community college credentials. But now many other professional and nonprofessional workers command salaries equal to or exceeding those of recent college graduates. Overeducation can also mean that college graduates are not finding the kinds of jobs that they expected when they decided to go to college.

These definitions provide two ways of measuring the value of a college education: salaries and expectations. Both have limitations. The first recognizes the importance of salaries, but while salary increases are one reason people go to college, it is not the only reason. Public opinion surveys reveal that a growing number of young people are concerned with other aspects of their jobs — the working environment and degree of responsibility, to name but two. Moreover, while it is true that people who go to college have expectations about the kinds of jobs they expect to find when they graduate, expectations change over time and are hard to measure.

Overeducation can also be defined in terms of job skills. Every job consists of tasks and functions requiring certain skills. Some skills, such as the ability to operate a machine, are specific to a job; others, such as verbal and mathematical reasoning, are general and apply to different jobs. General skills are most often acquired from formal education.

Workers possessing more education, and hence more skills, than their jobs require are overeducated. There are several advantages to defining overeducation in terms of job skills. From an individual perspective, it recognizes the value people attach to their skills and abilities. Many people go to school to acquire the skills necessary to secure high-level jobs. Not only do they desire the higher salaries of these jobs, but they frequently seek a sense of fulfillment that comes from utilizing the skills they have acquired. From a social perspective, this definition is useful for determining how well the educational system is supplying an adequately trained work force and whether there is an excess of trained labor in the market.

But there are also limitations to viewing overeducation in this manner. The educational system not only functions to develop the skills of the work force; it serves other individual and social functions as well. Individuals may go to school for their own enjoyment or self-fulfillment. Society benefits from education because the social values usually developed in school are useful to the functioning of our democratic society. Overeducation in the labor market does not imply, therefore, that people are too educated generally.

A second limitation is that job skills, like expectations, are hard to measure. Thus it is difficult to determine how widespread this condition really is.

All the definitions of overeducation have shortcomings. But as with other social in-

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dicators — unemployment rates and the consumer price index, for example — shortcomings do not mean that the concept is useless or that the problem does not exist. It only means that we should review evidence critically. What evidence, then, suggests that overeducation exists in this country? How widespread is this condition? What are the prospects for its continued existence? These questions can be answered by examining the supply of skilled labor in the market, represented by educational attainments, and the demand for these skills.

The rising incidence of overeducation

The educational system has grown phenomenally during the last two decades, especially at the postsecondary level. This growth resulted from two concurrent developments (see Table 1). First, the population of young people 18-24 years of age — the traditional college age population — increased by over 75 percent during this period. Second, the proportion of this population going to college increased by over 50 percent. The number of college students of nontraditional ages — over 25 years of age — increased even more dramatically. Overall, total enrollments in institutions of higher education more than doubled. The number of degrees conferred increased by a similar amount. These trends produced similar increases in the educational attainments of the labor force: almost one out of 5 workers had completed 4 or more years of college by 1978. Among young workers entering the labor market the percentage was even higher.

The proportion of the labor force who had completed college increased in the 1970s even more than it had in the 1960s. The educational attainments of the labor force also continued to increase because young workers entering the labor force are generally better educated than the retired workers they are replacing.

A significant amount of this growth occurred during the 1960s, especially among young people. In fact, there was a slight growth in the proportion of young people enrolled in college between 1970 and 1978. But for other groups, especially those over 25 years of age, participation in higher education increased more in the 1970s than in the 1960s. Thus the proportion of the labor force who had completed college increased in the 1970s even more than it had in the 1960s. The educational attainments of the labor force also continued to increase because young workers entering the labor force are generally better educated than the retired workers they are replacing.

What about changes in the demand for educated labor? These result from two factors: changes in the distribution of employment among jobs and changes in the educational requirements of indiviudal jobs. Consider the first. College graduates are commonly employed in white collar occupations, particularly professional, technical, and managerial occupations. Changes in the distribution that favor these higher skilled occupations provide one indication of trends in employment opportunities for college graduates.

In the last two decades the proportion of jobs in white collar and service occupations increased, while the proportion in blue collar and farm occupations decreased (see Table 2). Employment opportunities in professional and technical occupations, which comprise of the most skilled jobs, increased by 50 percent during this period. Managerial employment increased by one-third. But there were also significant employment increases in the clerical group, where few skilled jobs exist. Moreover, much more of the increase in professional and managerial employment occurred during the 1960s than during the 1970s. Overall the growth in employment during this period favored both higher skilled and intermediate level jobs.

Changes in the educational requirements of individual occupations also affect the aggregate demand for educated labor. These changes are harder to measure. To do so one must assume that the educational requirements of individual occupations are fixed — that employers are unable or unwilling to make full use of their employees' educational skills. In some cases this may not be the case; but in countless others job responsibilities and tasks are frequently fixed, especially in the short run. In addition, one must assume

Table 1
Indicators of Changes in the Supply of Skilled Labor: 1960, 1970, and 1978

	Population 18-24 (thousands) (1)	Proportion 18-24 Enrolled In College (2)	Number of College Siudents 25-34 years old (thousands) (3)	Total Degree-Credit Enrollment (thousands) (4)	Earned Degrees Conferred (thousands) (5)	Proportion of the Civilian Labor Force 18-64 years old, with 4 or more years of college (6)
TOTAL						
1960	16,347	15.9	750	3,583	477	9.7[a]
1970	24,582	23.9	1,349	7,920	1,065	12.9
1978	28,681	24.4	2,569	9,790	1,332	17.7
PERCENTAGE CHANGE						
1960-70	50.4	50.3	79.9	121.0	123.2	33.0
1970-78	16.7	2.1	90.4	23.6	25.1	37.2
1960-78	75.5	53.5	242.5	173.2	179.2	82.5

[a]For March 1959

Sources: (1) - (3) *Current Population Reports*, Series P-20, No. 346, pp. 67-68.
(4) - (5) *Digest of Education Statistics 1980*, pp. 89, 133.
(6) *Special Labor Force Report* 240, p. A-9.

example, has already reduced the need for mathematical skills among cashiers and clerical workers. Other developments could continue to "deskill" many jobs.

With the educational attainments of the American work force increasing faster than employment opportunities in high skilled occupations, overeducation is likely to persist. Of course, conditions could change. As more people become aware of overeducation, especially among college graduates, fewer young people may decide to go to college. The proportion of young people enrolled in college has declined in the last decade, perhaps in response to the declining opportunities for college graduates. But this may simply reflect the changing patterns of college attendance. The opportunity for continued schooling is no longer confined to the years immediately following high school. Now people have the opportunity to attend college at any time during their lives. The large number of middle-aged Americans returning to college attests to this.

It is doubtful that interest in attending college will decline much in the years to come. Even if the employment opportunities for college graduates continue to decline, college graduates are still more likely to find desirable, higher-paying jobs than persons with less education. As long as the benefits from having a college degree — the improved salaries and employment opportunities — continue to outweigh the tuition and the loss of earnings while attending school, then people will continue to go to college.

Consequences of overeducation

One of the reasons overeducation has generated so much interest is its potentially disruptive and adverse consequences in the work place. Overeducation may promote job dissatisfaction that could lead to absenteeism, work disruptions, and worker turnover. Both government and business leaders have acknowledged the problem of integrating young, better educated workers into the job hierarchy. One recent government report, *Work in America*, was particularly attentive to this problem.

There is also widespread concern about problems of productivity in this country. Productivity in the U.S. has declined at an alarming rate during the last decade, seriously jeopardizing our country's ability to compete in the international market. Some business leaders worry that at least some of their current labor problems stem from the increasing numbers of dissatisfied and highly educated workers entering the labor market. These concerns warrant attention.

Overeducation could have several adverse effects in the work place. It could affect workers' attitudes, promoting job dissatisfaction; it could affect mental health; it could affect behavior, promoting job turnover, absenteeism, strike activity, drug problems, and industrial sabotage; and finally it could affect job performance, lowering productivity.

Two problems make it difficult to determine the consequences of overeducation in the work place. First, there are complex relationships among these different responses, making it difficult to trace the effect of any single causal factor. Second, and more important, there is a host of possible factors, in addition to overeducation, that could also promote these conditions. Because of these difficulties, there is little direct evidence that overeducation itself leads to any of the consequences. The one exception is job satisfaction. Although more educated workers are generally more satisfied with their jobs, research has shown that overeducated workers become more dissatisfied with their jobs.

Industrial psychologists have devoted considerable research to understanding the various factors influencing attitudes and behavior at work. They have found that these responses result from the characteristics of workers, the characteristics of their jobs, and the match or congruence between the two. The characteristics of jobs include physical aspects — salary, working environment, promotional possibilities — as well as social aspects, such as peers and supervisors. Individual characteristics include needs, skills and abilities, aspirations and expectations, and personalities. Discrepancies in these two sets of characteristics can promote adverse responses in the work place.

Two are particularly revealing. Research indicates that individuals whose skills are underutilized in their jobs are more likely to be dissatisfied, have poorer mental health, and exhibit poorer work performance than other individuals. Workers with unfulfilled expectations — whether they concern remuneration or other job characteristics — display similar responses. Of course two college graduates occupying identical jobs, who both appear to be overeducated, may not become equally dissatisfied. But these general tendencies suggest a range of possible responses to overeducation.

The influence of education in the work place is paradoxical. On the one hand, education generally leads to positive attitudes and desirable behavior, because people with more education are more likely to hold jobs with higher salaries and more desirable working conditions. On the other hand, *over*education may produce the opposite effects, since education also develops skills that people want to use and expectations for rewarding and challenging jobs. Recent surveys indicate that college graduates are particularly interested in finding challenging and psychologically rewarding jobs.

Policy implications

Some observers view overeducation simply as an individual problem. They see education as a private investment yielding private benefits. Individuals undertaking such investments do so with no guarantee that it will be rewarded in the job market. Yet overeducation is more than an individual concern. Firms employing overeducated workers may experience threats to product quality and declines in productivity. Ultimately profits suffer. Some of the problems experienced by automobile assembly plants during the 1970s have been attributed to more educated and demanding workers rebelling against traditional assembly line practices. Companies are beginning to realize that they must

Table 3
Major Occupation Groups of Employed College Graduates 25 to 64 Years Old: 1960, 1970, and 1979

MAJOR OCCUPATION GROUP	TOTAL (Percentage Distribution)			PERCENTAGE CHANGE		
	1960	1970	1979	1960-70	1970-79	1960-79
White Collar Workers	90.1	95.3	91.4	5.8	- 4.1	1.4
Professional and Technical	61.9	66.6	56.8	7.6	-14.7	−8.2
Managers and Administrators	14.3	18.0	19.9	25.9	10.6	39.2
Sales	6.7	5.3	6.7	-20.9	26.4	0.0
Clerical	7.2	5.4	8.0	-25.0	48.1	11.1
All Other Groups	9.9	4.7	8.6	-52.5	83.0	-13.1
Total Percentage	100	100	100	—	—	—

Source: *Current Population Reports*, Series P-20, No. 356, p. 62

adopt policies to deal with the increased demands and expectations of their more educated labor force.

Overeducation is also a public concern. Various levels of the government — local, state and federal — invest heavily in public and private education. In 1977 this investment exceeded $140 billion. The existence of overeducation, the underutilization of educational skills, implies that society is receiving a poor return on its investment in education. Declining productivity and falling profits in the private sector affect the overall welfare of the economy as well as the prosperity of the entire country. These are equally social concerns.

What private and public policy responses might result from overeducation? We must differentiate between possible responses and probable ones. The former constitute an objective list of alternatives; the latter also must account for social change, including changing political forces. The discussion that follows attempts to consider both, although the latter is done with some trepidation.

Policy responses to overeducation in the private sector would largely address the demand for educated labor. They could take a variety of forms. Some might consist of technical changes in the nature of jobs. Jobs could be redesigned to encompass a greater variety of tasks that would require a greater variety of job skills. Job rotation, where workers rotate or share jobs, would have the same result. Experiments in these reforms demonstrate that they result in improved job satisfaction and productivity.

Other responses might involve political changes — changes in the way decisions are made. Examples include job enrichment, where the expansion of job tasks includes responsibility for planning and execution as well as performing; autonomous work groups, where groups of workers plan and execute their jobs; and workers' councils, where workers' representatives meet with management and help make corporate decisions. The most extreme form of political change in the structure of work is the producer cooperative, where workers both own and control the entire enterprise.

Changes of this type involve various degrees of participatory management, with workers taking on some or all of the decision-making responsibilities traditionally held by managers. Involving workers in decision making would require reasoning and communication skills of all workers, not just managers, and make jobs more interesting and challenging. Experiments with these reforms in existing firms demonstrate that they could reduce the adverse affects resulting from overeducation. Studies of producer cooperatives indicate that they can successfully ultilize the skills, abilities, and talents of all their workers.

These changes constitute a wide range of alternative responses to overeducation in the private sector. The likelihood of these reforms being adopted vary just as widely. Companies wishing to deal with an overeducated work force are more likely to adopt technical changes than political ones. Technical changes, such as job redesign, allow a firm to maintain control over the production process, something they consider to be inherently crucial. Our capitalist economy also limits the role that individual workers and unions play in initiating reforms. So responses to overeducation in the private sector will probably be selective and oriented towards the interests of management.

Policy responses to overeducation in the public sector could affect both demand, or the utilization of educated workers within the public and private sectors, and supply, which is the number and distribution of educated workers entering the labor market. The government can do little to directly influence the use of educated workers in the private sector, but it could induce private sector responses through tax incentives and other policies. For example, the government could retard replacement of skilled labor by capital through policies that would act to raise interest rates, thereby increasing the cost of borrowing money for capital expenditures. Or the government could promote the growth of cooperatives through tax incentives and subsidized loans.

The government could also influence the overall demand for educated labor through policies that affect its own work force. Presently one out of six workers is employed by federal, state, or local government. The government also employs a higher percentage of college educated workers than the private sector. Thus increasing government employment would improve employment opportunities for college graduates.

Public policy could help curtail the supply of college graduates entering the labor market by increasing the private costs of post-secondary education. Some critics argue that public subsidies in higher education are unnecessary because private incentives to invest in additional schooling will ensure an ample supply of trained labor. But many people believe that the public investment in postsecondary education is a social investment, and that it is justified because society as well as individuals benefit from the outcomes. Government support of education, especially at the federal level, is also used to promote equity and social mobility for the disadvantaged in our society.

Public responses to overeducation depend heavily on the political climate. The current swing to the political right suggests that public policy will do little to increase the demand for educated labor, either through policies affecting the private sector or by increasing the size of its own work force. Economic conditions as well as political ideology have already begun to reduce public subsidies for education. An unintended consequence may be a decline in the number of people going to college. But as long as education is seen as a means of achieving upward mobility in our society, or unless changes in government policies are much more severe, then private interest in education will remain. And overeducation is likely to continue.

Many people believe that the public investment in postsecondary education is a social investment, and that it is justified because society as well as individuals benefit from the outcomes. Government support of education, especially at the federal level, is also used to promote equity and social mobility for the disadvantaged in our society.

Future projections indicate the condition is likely to persist as the educational attainments of the labor force continue to increase while the skill requirements of jobs change very little.

Summary

A condition of overeducation currently exists in the U.S. labor market. The severity of this condition depends upon how it is measured. One way is to compare the educational attainments of the American labor force with the educational requirements of their jobs. These comparisons reveal that overeducation is widespread, affecting college graduates as well as other

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that the educational requirements of jobs can be measured, and that they reflect the tasks and responsibilities of the job, not the hiring requirements of employers.

In spite of these difficulties, attempts have been made to measure changes in the educational requirements of occupations. The results of this research suggest that the skill requirements of jobs have not changed appreciably in the last two decades. The biggest changes have been the reduction in the number of low-skilled jobs and increases in requisite job skills at the intermediate level. Automation and technological advances no doubt account for some of these changes. New jobs have resulted from new technologies, especially in the electronics and computer fields. But many of these jobs are at the paraprofessional level, requiring applied job skills and limited educational credentials. The requisite skills of other jobs have been reduced. The result is that the aggregate demand for educated labor, particularly for college graduates, due to changes in the skill requirements of individual jobs has changed very little over the last 20 years.

Contrasting changes in the supply of educated labor with changes in demand indicates that overeducation in the labor market has recently increased, particularly during the decade of the 1970s. The majority of college graduates have always found employment in higher skilled professional and managerial occupations (see Table 3). And during the 1960s this proportion increased. But during the 1970s the proportion of college graduates in professional occupations decreased by 15 percent, while the proportion in other areas increased. In particular, there were substantial increases in the proportion of college graduates employed in clerical and non-white-collar occupations — jobs where a college degree is hardly necessary. These changes probably understate increases in the incidence of overeducation. Surveys of college graduates frequently reveal that even in many professional occupations where a college degree is required, employers fail to fully utilize the educational training of their employees. Some estimates suggest that as many as 50 percent of college graduates are employed in jobs incommensurate with their level of educational training.

Most of the discussion to this point has concentrated on college graduates. Generally this is the group where overeducation appears to be the most prevalent. But other workers can also be overeducated for their jobs. Frequently high school graduates and persons with some college training, perhaps from a community college, find themselves in jobs where their educational training is underutilized. Accounting for all the people in the labor force who are overeducated, no matter what their educational credential, would suggest that overeduction is indeed widespread.

Table 2
Major Occupation Groups of Employed Persons 25 to 64 Years Old: 1960, 1970, and 1979

MAJOR OCCUPATION GROUP	TOTAL (Percentage Distribution)			PERCENTAGE CHANGE		
	1960	1970	1979	1960-70	1970-79	1960-79
White Collar Workers	42.3	49.3	54.3	16.5	10.1	28.4
Professional and Technical	12.0	15.5	18.2	29.2	17.4	51.7
Managers and Administrators	9.6	12.5	12.8	30.2	2.4	33.3
Sales	7.1	5.7	5.9	-19.7	3.5	-16.9
Clerical	13.6	15.6	17.4	14.7	11.5	27.9
Blue Collar Workers	41.1	36.2	31.8	-11.9	-12.2	-22.6
Craft and Kindred	15.8	14.5	13.9	- 8.2	- 4.1	-12.0
Operative	20.4	18.2	14.7	-10.8	-19.2	-27.9
Non-Farm Labor	4.9	3.5	3.2	-28.6	- 8.6	-34.7
Service Workers	11.0	11.1	11.5	0.9	3.6	4.5
Farm Workers	5.8	3.4	2.4	-41.4	-29.4	-58.6
Total Percentage	100	100	100	—	—	—

Source: *Current Population Reports*, Series P-20, No. 356, p. 62

Overeducation exists among all groups in the labor market — men, women, whites, and minorities. Whites are generally better educated than minorities. But they are also more likely to be employed in professional and managerial occupations. Minorities are generally less educated, but they are also less likely to find employment in professional and managerial occupations. In the last two decades, the educational attainments of minorities have increased more than for whites. Since their opportunities for employment in higher skilled occupations have also improved, the incidence of overeducation among minorities has actually decreased somewhat, while the incidence among whites has increased.

The aggregate demand for educated labor, particularly for college graduates, due to changes in the skill requirements of individual jobs has changed very little over the last 20 years.

Yet, overall, minorities are still more overeducated than whites, because many remain employed in middle and low-skilled jobs. The incidence of overeducation among white men and women has increased as a result of more college graduates finding employment outside of professional and managerial occupations. The proportion of female college graduates found in clerical occupations, for example, has increased by over 50 percent since 1970.

Prospects for the future

Is overeducation a short-term phenomenon or is it likely to continue? The answer depends on changes both in supply and in demand. Projections indicate that the youth population will decline in the next two decades; this will tend to lower the supply of new college graduates entering the labor market. But increasing numbers of older workers are returning to school. Older workers retiring from the work force will also continue to be replaced by more educated, younger workers. Even conservative estimates indicate that the educational attainments of the labor force will continue to increase for some years to come.

Changes in demand are harder to predict, partly because of the uncertainty of future economic growth. Government projections indicate that the biggest increases in employment will occur in professional, clerical, and service occupations, with three times as many new jobs opening in the latter two categories than in the former one. These projections suggest that employment opportunities in higher skilled professional areas will increase some, but more opportunities will open in intermediate level jobs. A more fundamental concern is that continued technological development will further tend to fragmentize and routinize jobs into lower skilled components. The widespread application of microelectronics, for

workers. During the last two decades the educational attainments of the U.S. labor force have increased dramatically, while employment opportunities in higher skilled professional and managerial occupations have grown at a much slower rate. As a result, an increasing number of college graduates are being employed in jobs that are not commensurate with their level of educational training. Future projections indicate the condition is likely to persist as the educational attainments of the labor force continue to increase while the skill requirements of jobs change very little.

Overeducation presents a problem not only to individuals, but to the private and public sectors of the economy. It may have adverse consequences in the work place, promoting job dissatisfaction and lowering productivity. It also is a threat to the public investment in education.

A variety of individual and policy responses could result from this condition, but few major responses are likely. Public support of education will continue. The private sector will change the structure of work only to the extent necessary to remain profitable. As long as those with more schooling fare better in the labor market than those with less schooling, private incentives to go to school will remain. And individuals will continue to compete for the few really good jobs in the economy, blaming only themselves if they fail to acquire them.

Government officials and politicians have long been concerned with the problems and consequences of unemployment. The challenge in the future will be to employ fully all the unused talent in this country, underemployed and unemployed alike. ■

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